



## **Written Testimony before the Energy and Technology Committee**

**March 16, 2010**

Senator Fonfara, Representative Nardello and distinguished members of the Energy and Technology Committee, thank you for the opportunity to provide written testimony on SB 460 An Act Concerning Low-Income Energy Rates and HB 5505 An Act Concerning Electric Rate Relief.

### **SENATE BILL 460 AN ACT CONCERNING LOW-INCOME ENERGY RATES**

Senate Bill 460 requires the Department of Public Utility Control (DPUC) to develop discounted rates for service provided by gas and electric distribution companies for those who receive means-tested assistance administered by the state or federal government. This language appears to encompass all clients receiving any type of assistance under Department of Social Services (DSS) programs, or more than a half million individuals in February of this year.

The department has several concerns as the bill leaves many questions unanswered. For instance, what happens to the arrearages that have built up? Would a household be still responsible for any past balances or would this reduced rate proposal be offered in concert with some type of clean slate program that erased outstanding balances? What is the recourse if a household cannot pay the approved discount rate or defaults after some time?

The bill also requires that the household agree to a home energy audit as a prerequisite to qualification – who will pay for these audits? What happens after the audit is completed? Are there sufficient funds to ensure that each household receives conservation services? If the house was recently weatherized, within the last 10 years for instance, would there be a provision for exemption from the audit?

If passed, serious modifications to current programs would likely be necessary, including the CEAP/CHAP program and the matching payment program. It does not appear that sufficient time is allowed for this to occur.

Finally, the greatest impact will be felt by the ratepayers that will be charged for the implementation and costs associated with this bill. Currently, ratepayers pay for costs associated with the matching payment program for qualified households with natural gas